

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

Illinois Bell Telephone Company, )  
AT&T Communications of Illinois, Inc. )  
TCG Illinois, TCG Chicago, TCG St. Louis )  
CoreComm Illinois, Inc., WorldCom, Inc. )  
McLeodUSA Telecommunications Services, Inc. )  
XO Illinois, Inc., Northpoint Communications, Inc. )  
Rhythms Netconnection and Rhythms Links, Inc. )  
Sprint Communications L.P., Focal )  
Communications Corporation of Illinois, and )  
Gabriel Communications of Illinois, Inc. )  
)  
)  
Petition for Resolution of Disputed Issues )  
Pursuant to Condition (30) of the )  
SBC/Ameritech Merger Order )

Docket No. 01-0120  
On Second Remand

McLeod USA 4.0  
admitted  
2/23/06  
QW

PREPARED REBUTTAL TESTIMONY ON REMAND OF

PATTY LYNOTT

ON BEHALF OF

MCLEODUSA TELECOMMUNICATIONS SERVICES, INC.

MCLEODUSA EXHIBIT 4.0

January 5, 2006

OFFICIAL FILE  
I.C.C. DOCKET NO. 01-0120  
McLeod USA EXHIBIT No. 4.0  
Witness  
Date 2/23/06 Receptor PW

1   **Q.   PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND PRESENT**  
2   **POSITION.**

3   **A.**   My name is Patty Lynott. I am Director of Service Delivery-Line for McLeodUSA  
4       Incorporated, parent company of McLeodUSA Telecommunications Services, Inc.  
5       ("McLeodUSA"). My business address is 6400 C Street SW, PO Box 3177, Cedar  
6       Rapids, Iowa 52406-3177.

7   **Q.   PLEASE DESCRIBE YOUR EDUCATION AND BUSINESS BACKGROUND**  
8   **AND EXPERIENCE.**

9   **A.**   I obtained a Bachelor of Arts degree from Loras College, Dubuque, Iowa, with a major in  
10       Communications/Public Relations and a minor in Computers. I started my business  
11       career in the Provisioning and Service Delivery fields at Teleconnect, which was  
12       subsequently purchased by MCI. I joined McLeodUSA in 1993 and have worked in  
13       Service Delivery, Network Operations, Provisioning and ILEC Relations. I have 18  
14       years of experience in the telecommunications industry.

15   **Q.   PLEASE DESCRIBE YOUR RESPONSIBILITIES AS DIRECTOR, SERVICE**  
16   **DELIVERY-LINE WITH MCLEODUSA INCORPORATED.**

17   **A.**   I am responsible for all aspects of customer service delivery, including order entry, order  
18       management, coordination, provisioning, installation, testing and activation. I am  
19       responsible for managing a staff of approximately 100 employees. My duties also  
20       include setting departmental goals and expectations to achieve established corporate  
21       financial and operational targets. Finally, I am responsible for driving continuous process  
22       improvements in service delivery intervals, quality of delivered service and productivity.

23 **Q. WHAT IS THE SUBJECT MATTER OF YOUR TESTIMONY IN THIS**  
24 **PROCEEDING?**

25 A. I reviewed a listing of wholesale performance measures ("PM") for which SBC Illinois  
26 did not meet the performance benchmark for the PM or submeasures thereof in one or  
27 more of the months of September through December, 2002. This listing of missed PMs  
28 was taken from tables provided by SBC Illinois in response to McLeodUSA's data  
29 requests in this proceeding. I reviewed the listing of missed PMs to identify any of the  
30 missed PMs that McLeodUSA considers particularly significant in terms of the impact on  
31 the service quality that McLeodUSA is able to provide its own retail customers, on  
32 McLeodUSA's ability to compete with SBC Illinois for retail customers, and on the  
33 impacts to McLeodUSA of subpar wholesale service quality in the areas depicted by  
34 these PMs. I found that a number of the missed PMs were significant in this regard. I  
35 will identify these PMs in my testimony. I will also briefly describe the impacts on  
36 McLeodUSA of sub-par wholesale service quality with respect to these missed PMs.

37 **Q. PLEASE PROCEED WITH YOUR LISTING OF THE MISSED PERFORMANCE**  
38 **MEASURES DURING THE MONTHS OF SEPTEMBER THROUGH**  
39 **DECEMBER, 2002.**

40 A. 1. PM 5-14, 5-15, 5-16, 5-26, 5-40, 5-42: Percent Firm Order Confirmation  
41 Returned within X Hours. All of these PMs and submeasures measure the percent of firm  
42 order confirmations ("FOC") for various types of orders (e.g., UNE-P Simple Res & Bus,  
43 UNE-Loop, etc.) that SBC Illinois returns to the CLEC within a specified number of  
44 hours. SBC Illinois missed the performance benchmark for each of these PMs in one or  
45 more of the months of September through December, 2002. When McLeodUSA submits

46 an order to SBC Illinois and a FOC is not returned to McLeodUSA in a timely manner,  
47 McLeodUSA experiences the following impacts: the time required to complete  
48 McLeodUSA's order and to provision service to our customer is lengthened; additional  
49 resources must be expended in contacting the customer and explaining the delay; the  
50 continuity of the customer's telephone service may be affected; and there is an increased  
51 likelihood that the customer will revoke his or her order with McLeodUSA and seek  
52 service from another provider or stay with or return to the existing provider.

53 2. PM 7.1-01 to 7.1-04 – Percent mechanized completions returned in one  
54 day. SBC Illinois missed the performance benchmarks for at least three of the four  
55 submeasures under this PM during each month in the period September through  
56 ~~December~~ <sup>November</sup>, 2002. When SBC Illinois does not meet the service parameter specified in  
57 this PM, the time required to complete McLeodUSA's order and to provision service to  
58 our customer, and the day of installation on which the customer's service is tested, are  
59 extended; receipt of revenue by McLeodUSA from the customer is delayed, or  
60 McLeodUSA may have to issue a credit to the customer; there is an increased likelihood  
61 that the customer will revoke his or her order with McLeodUSA and seek service from  
62 another provider or stay with or return to the existing provider; and McLeodUSA's cost  
63 for the transaction is increased due to the additional resources required to address these  
64 problems.

65 3. PM 10.4 – Percent of orders given jeopardy notices. SBC Illinois missed  
66 the performance benchmark for a number of submeasures under this PM in one or more  
67 of the months of September through ~~October~~ <sup>December</sup>, 2002. The benchmarks for several of the  
68 submeasures were missed in all four months and for others in three of these four months.

69 When SBC Illinois issues jeopardy notices on CLEC orders, indicating that they are in  
70 danger of not being accepted, processed and completed in a timely manner, there are a  
71 number of impacts on McLeodUSA. The time required to complete McLeodUSA's order  
72 and to provision service to our customer, and the day of installation on which the  
73 customer's service is tested, may be extended; McLeodUSA must expend additional  
74 resources attempting to achieve completion of the order; receipt of revenue by  
75 McLeodUSA from the customer may be delayed, or McLeodUSA may have to issue a  
76 credit to the customer; McLeodUSA may need to contact the customer to explain the  
77 delay; there is an increased likelihood that the customer will revoke his or her order with  
78 McLeodUSA and seek service from another provider or stay with or return to the existing  
79 provider; and McLeodUSA's cost for the transaction is increased due to the additional  
80 resources required to address these problems.

81 4. PM 13 – Order process percent flow through. SBC Illinois missed the  
82 performance benchmarks for several of the submeasures under this PM during one or  
83 more of the months of September through December, 2002. When orders do not “flow  
84 through” SBC Illinois' mechanized ordering systems, there are a number of impacts on  
85 McLeodUSA. The order must be processed manually by SBC Illinois, which increases  
86 the possibility of human error (keystroke error, etc.), which may in turn result in a  
87 deviation in the order. The time required to complete McLeodUSA's order and to  
88 provision service to our customer, and the day of installation on which the customer's  
89 service is tested, may be extended. McLeodUSA must expend additional resources  
90 attempting to achieve completion of the order; receipt of revenue by McLeodUSA from  
91 the customer may be delayed; McLeodUSA may need to contact the customer to explain

92 the delay; and there is an increased likelihood that the customer will revoke his or her  
93 order with McLeodUSA and seek service from another provider or stay with or return to  
94 the existing provider. McLeodUSA's cost for the transaction is increased due to the  
95 additional resources required to address these problems.

96 5. PM 14-02 – Billing Accuracy – Resale Usage/Unbundled Local  
97 Switching. SBC Illinois missed the performance benchmark for this submeasure in three  
98 of the four months. When SBC provides inaccurate wholesale bills, McLeodUSA is  
99 required to expend additional resources to dispute and research inaccurate billings to  
100 correct SBC Illinois' billing errors. In the case of an erroneous overbilling, McLeodUSA  
101 loses use of funds paid in excess of the amount actually due to SBC Illinois. If non-  
102 recurring charges are not billed accurately, McLeodUSA's ability to bill our customer(s),  
103 and the receipt of revenues from customer(s), may be delayed or otherwise affected, since  
104 these charges are typically flowed through to the end user.

105 6. PM 17-01 – Billing Completeness – ACIS/CABS. SBC Illinois missed  
106 the performance benchmark for this submeasure in all four months of September through  
107 December 2002. The impacts of subpar wholesale service quality performance by SBC  
108 Illinois under this PM are the same as for subpar performance under PM 14, Billing  
109 accuracy.

110 7. PM 28 – Percent Installations Completed within Customer Requested Due  
111 Date. SBC missed the performance benchmark for submeasure 9 under this PM in two  
112 months and missed the benchmark for submeasure 11 in one month during the September  
113 through December 2002 period. When SBC Illinois fails to complete an installation  
114 within the due date requested by the customer, the impacts on McLeodUSA include:

expending internal resources to attempt completion of the order and the service installation by the due date; delay in revenue recognition by McLeodUSA, or McLeodUSA may have to issue a credit to the customer; the customer's expectations are not fulfilled; McLeodUSA needs to contact the customer to explain the delay; there is an increased likelihood that the customer will revoke his or her order with McLeodUSA and seek service from another provider or stay with or return to the existing provider; and McLeodUSA's cost for the transaction is increased due to the additional resources required to address these problems.

8. PM 29 – Percent of SBC Illinois-caused missed due dates. SBC Illinois missed the performance benchmark for the submeasure relating to Business UNE-P (submeasure no. 7) in the months of October and November 2002. When installations are not completed by the due dates, McLeodUSA experiences the same types of impacts that I described with respect to PM 28.

9. PM 35 – Percent trouble reports within 30 days of installation. This PM measures the percent of installations of wholesale facilities to serve McLeodUSA's customers on which a service problem (trouble report) is experienced within 30 days following the installation. SBC Illinois missed the performance benchmark for the Business UNE-P submeasure (submeasure no. 7) for the months of October and November 2002. When trouble is experienced on wholesale facilities within a short time after installation (as noted, this PM uses 30 days following installation), the CLEC's customer can experience a degradation of service quality and possibly an interruption in service. The customer may blame McLeodUSA for the service problem, and this experience may cause the customer to seek to switch to another provider or to switch

back to its previous provider. McLeodUSA must expend additional resources on customer care activities and on resolving the service problem.

10. PM 37 – Trouble report rates. SBC Illinois missed the performance benchmarks for one or more submeasures under this PM in each of the four months September through December 2002. (The submeasures break out trouble reports per 100 lines for different categories of service.) When trouble is experienced on wholesale facilities used to service CLEC customers, the customers can experience a degradation of service quality and possibly an interruption in service, and may blame the CLEC for the service problem. McLeodUSA must expend additional resources on customer care activities and on resolving the service problem. Additionally, McLeodUSA may experience a revenue loss due to having to give the customer a credit for service interruption.

11. PM 38 – Percent missed repair commitments. SBC Illinois missed the benchmark for the submeasure relating to Residential POTS service (submeasure no. 2) in two of the four months of September through December 2002. When SBC Illinois misses a repair commitment for wholesale facilities used to serve a CLEC customer, elimination of the customer's service problem (which may include the need to restore service) is delayed, and the customer may blame McLeodUSA for the delay. McLeodUSA must expend additional resources on customer care activities and on resolving the service problem which was to have been addressed pursuant to the repair commitment. Additionally, McLeodUSA may experience a revenue loss due to having to give the customer a credit for service interruption (or a larger credit for an extended interruption).



12. PM 54 – Failure Frequency - Design. SBC Illinois missed the performance benchmark for two or more submeasures under this PM (which measures the percent of network customer trouble reports within a calendar month per 100 circuits) in each of the four months September through December 2002. When service problems (trouble reports) are experienced on wholesale facilities used to serve CLEC customers, the CLEC's retail customer experiences an interruption of service or other degradation of service quality, and McLeodUSA experiences the types of impacts I described with respect to PMs 35 and 37.

13. PM 55 – Average installation interval - UNE. SBC Illinois missed the performance benchmarks for one or more submeasures under this PM in three of the four months of September through December 2002. As the installation intervals for wholesale facilities used to serve CLEC customers are extended (beyond the benchmark average intervals established in the performance measurement plan), the initiation of service to new CLEC customers is delayed, potentially beyond the date promised or expected by the customer. McLeodUSA must expend additional resources on customer care activities with our customer as well as in trying to get the wholesale facilities installed more rapidly. The customer may blame McLeodUSA for the length of time that is being required to initiate service, and may consider canceling its order with McLeodUSA and switching to another provider or back to the customer's previous provider. McLeodUSA's costs per new customer transaction are increased due to the need for the resources and activities I have described. Additionally, McLeodUSA's initiation of billing to and receipt of revenues from the customer may be delayed.

183           14.    PM 65 – Trouble report rates - UNE.   SBC Illinois missed the  
184           performance benchmark for one or more submeasures under this PM (which measures  
185           trouble report rates per 100 UNEs) in each of the months of September through  
186           December 2002. As the frequency of trouble reports on SBC-provided wholesale  
187           facilities used to serve CLEC customers increases, the CLEC's customers may  
188           experience interruptions of service or other degradations of service quality, and  
189           McLeodUSA experiences the types of impacts I described with respect to PMs 35, 37 and  
190           54.

191           15.    PM 104 – Average time required to Update 911 Database (Facilities Based  
192           Providers). SBC Illinois missed the performance benchmark for this PM in three of the  
193           four months September through December 2002. When the time required to update the  
194           911 database for CLEC customers exceeds the established benchmark, the potential  
195           increases that a call may be placed by a CLEC customer to a 911 call center from a  
196           telephone number that is not in the 911 database, or that is associated with a former  
197           address in the 911 database.

198           16.    PM 111 – Average Update Interval for Directory Assistance ("DA") Data  
199           Base for Facilities-Based CLECs (Hours). The DA data base is accessed by carriers and  
200           by DA providers and operator service providers to provide telephone numbers of  
201           customers in response to third parties' requests. SBC Illinois missed the performance  
202           benchmark for the submeasure for electronic orders in two of the four months of  
203           September through December, 2002. When it takes SBC Illinois longer to update the DA  
204           data base for new CLEC customers, the CLEC customer may experience a situation in  
205           which third parties are unable to obtain the customer's telephone number through DA. If

206 and when the CLEC customer learns of this situation, the customer may blame  
207 McLeodUSA for the unavailability of the customer's telephone number through DA.  
208 McLeodUSA may have to expend additional resources on customer care activities and on  
209 determining why our customer's information is not in the DA database. Additionally,  
210 McLeodUSA could be required to provide a revenue credit to the customers.

211 17. PM 113 – Percent of electronic updates that flow through the update  
212 process without manual intervention. SBC Illinois missed the performance benchmark  
213 for submeasure 1 in all four of the months of September through December, 2002. As  
214 more electronic updates fail to “flow through” the update process, McLeodUSA must  
215 expend additional resources on manual intervention to process and complete the order.  
216 The overall completion of the order, and thus the provision of service to McLeodUSA's  
217 customer and the receipt of revenue by McLeodUSA, may be delayed, and  
218 McLeodUSA's costs to process the transaction are increased.

219 18. PM MI-2 – Percent of orders given jeopardy notices within 24 hours of the  
220 due date. SBC Illinois missed the performance benchmark for two or more submeasures  
221 under this PM in each of the four months of September through December, 2002. In a  
222 number of instances, SBC Illinois missed the performance benchmark by a substantial  
223 margin. I described the adverse impacts on McLeodUSA of the issuance of jeopardy  
224 notices for orders in discussing PM 10.4 earlier in my testimony. The issuance of  
225 jeopardy notices within 24 hours of the due date is additionally problematic because at  
226 this point there is limited time and opportunity for the CLEC and SBC Illinois to take  
227 actions to “recover” from whatever is placing the order in jeopardy, in order to complete  
228 the order by the due date and thus install and initiate service for the CLEC's customer in

229 a timely manner. In addition, jeopardy notices received on the day of installation often  
230 result in out-of-service conditions for our customers, because the New, Transfer or  
231 Change order is completed in the SBC Illinois system.

232 19. PM MI-13 – Percent of mechanized line loss notifications returned within  
233 one hour of service order completion. SBC Illinois missed the performance benchmark  
234 for one or more submeasures under this PM in two of the four months of September  
235 through December, 2002. Timely issuance of line loss notifications in connection with a  
236 customer switch is important so that the carrier that previously served the customer will  
237 cease accruing charges to the customer and not bill the customer for periods after the  
238 carrier ceased to serve the customer; and so that the new carrier serving the customer  
239 recognizes that it is now responsible for service to the customer, and can commence to  
240 accrue charges and, ultimately, bill the customer in a timely manner. Customer  
241 dissatisfaction can result when a customer receives billings from both its previous carrier  
242 and its new carrier after the point in time at which service was switched to the new  
243 carrier. In these situations, McLeodUSA may need to expend additional resources on  
244 customer care activities and to resolve the situation.

245Q. **ARE THE MISSED PERFORMANCE MEASURES THAT YOU HAVE**  
246 **DISCUSSED THE ONLY PERFORMANCE MEASURES THAT SBC ILLINOIS**  
247 **MISSED DURING THE MONTHS OF SEPTEMBER THROUGH DECEMBER**  
248 **2002?**

249A. No, SBC Illinois missed the performance benchmarks for additional PMs during these  
250 months. McLeodUSA Exhibit 4.1 is a listing of all the PMs that SBC Illinois missed  
251 during the months of September, October, November and December 2002, based on the

252 information provided by SBC Illinois in response to McLeodUSA's discovery requests in  
253 this proceeding.

254Q. DO YOU HAVE ANY OTHER OBSERVATIONS CONCERNING SBC  
255 ILLINOIS' WHOLESALE SERVICE QUALITY PERFORMANCE DURING  
256 THE MONTHS OF SEPTEMBER THROUGH DECEMBER 2002 BASED ON  
257 THE RECORD OF MISSED PERFORMANCE MEASURES DURING THIS  
258 PERIOD?

259A. Yes. There were a number of PMs that were missed in one month, made in the next  
260 month or two, and then missed in the succeeding month during this period. This  
261 indicates that SBC Illinois had not yet achieved the ability to provide wholesale service  
262 quality at the levels established by the performance measures on a consistent basis, for  
263 these measures of wholesale service quality.

264Q. DOES THIS COMPLETE YOUR PREPARED TESTIMONY?

265A. Yes, it does.

**STATE OF ILLINOIS**

**ILLINOIS COMMERCE COMMISSION**

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**January 5, 2006**

1 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND PRESENT**  
2 **POSITION.**

3 **A.** My name is Patty Lynott. I am Director of Service Delivery-Line for McLeodUSA  
4 Incorporated, parent company of McLeodUSA Telecommunications Services, Inc.  
5 ("McLeodUSA"). My business address is 6400 C Street SW, PO Box 3177, Cedar  
6 Rapids, Iowa 52406-3177.

7 **Q. PLEASE DESCRIBE YOUR EDUCATION AND BUSINESS BACKGROUND**  
8 **AND EXPERIENCE.**

9 **A.** I obtained a Bachelor of Arts degree from Loras College, Dubuque, Iowa, with a major in  
10 Communications/Public Relations and a minor in Computers. I started my business  
11 career in the Provisioning and Service Delivery fields at Teleconnect, which was  
12 subsequently purchased by MCI. I joined McLeodUSA in 1993 and have worked in  
13 Service Delivery, Network Operations, Provisioning and ILEC Relations. I have 18  
14 years of experience in the telecommunications industry.

15 **Q. PLEASE DESCRIBE YOUR RESPONSIBILITIES AS DIRECTOR, SERVICE**  
16 **DELIVERY-LINE WITH MCLEODUSA INCORPORATED.**

17 **A.** I am responsible for all aspects of customer service delivery, including order entry, order  
18 management, coordination, provisioning, installation, testing and activation. I am  
19 responsible for managing a staff of approximately 100 employees. My duties also  
20 include setting departmental goals and expectations to achieve established corporate  
21 financial and operational targets. Finally, I am responsible for driving continuous process  
22 improvements in service delivery intervals, quality of delivered service and productivity.

**Q. WHAT IS THE SUBJECT MATTER OF YOUR TESTIMONY IN THIS PROCEEDING?**

A. I reviewed a listing of wholesale performance measures ("PM") for which SBC Illinois did not meet the performance benchmark for the PM or submeasures thereof in one or more of the months of September through December, 2002. This listing of missed PMs was taken from tables provided by SBC Illinois in response to McLeodUSA's data requests in this proceeding. I reviewed the listing of missed PMs to identify any of the missed PMs that McLeodUSA considers particularly significant in terms of the impact on the service quality that McLeodUSA is able to provide its own retail customers, on McLeodUSA's ability to compete with SBC Illinois for retail customers, and on the impacts to McLeodUSA of subpar wholesale service quality in the areas depicted by these PMs. I found that a number of the missed PMs were significant in this regard. I will identify these PMs in my testimony. I will also briefly describe the impacts on McLeodUSA of sub-par wholesale service quality with respect to these missed PMs.

**Q. PLEASE PROCEED WITH YOUR LISTING OF THE MISSED PERFORMANCE MEASURES DURING THE MONTHS OF SEPTEMBER THROUGH DECEMBER, 2002.**

A. 1. PM 5-14, 5-15, 5-16, 5-26, 5-40, 5-42: Percent Firm Order Confirmation Returned within X Hours. All of these PMs and submeasures measure the percent of firm order confirmations ("FOC") for various types of orders (e.g., UNE-P Simple Res & Bus, UNE-Loop, etc.) that SBC Illinois returns to the CLEC within a specified number of hours. SBC Illinois missed the performance benchmark for each of these PMs in one or more of the months of September through December, 2002. When McLeodUSA submits



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51 likelihood that the customer will revoke his or her order with McLeodUSA and seek  
52 service from another provider or stay with or return to the existing provider.

53 2. PM 7.1-01 to 7.1-04 – Percent mechanized completions returned in one  
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70 danger of not being accepted, processed and completed in a timely manner, there are a  
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102 recurring charges are not billed accurately, McLeodUSA's ability to bill our customer(s),  
103 and the receipt of revenues from customer(s), may be delayed or otherwise affected, since  
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113 through December 2002 period. When SBC Illinois fails to complete an installation  
114 within the due date requested by the customer, the impacts on McLeodUSA include:

115 expending internal resources to attempt completion of the order and the service  
116 installation by the due date; delay in revenue recognition by McLeodUSA, or  
117 McLeodUSA may have to issue a credit to the customer; the customer's expectations are  
118 not fulfilled; McLeodUSA needs to contact the customer to explain the delay; there is an  
119 increased likelihood that the customer will revoke his or her order with McLeodUSA and  
120 seek service from another provider or stay with or return to the existing provider; and  
121 McLeodUSA's cost for the transaction is increased due to the additional resources  
122 required to address these problems.

123 8. PM 29 – Percent of SBC Illinois-caused missed due dates. SBC Illinois  
124 missed the performance benchmark for the submeasure relating to Business UNE-P  
125 (submeasure no. 7) in the months of October and November 2002. When installations are  
126 not completed by the due dates, McLeodUSA experiences the same types of impacts that  
127 I described with respect to PM 28.

128 9. PM 35 – Percent trouble reports within 30 days of installation. This PM  
129 measures the percent of installations of wholesale facilities to serve McLeodUSA's  
130 customers on which a service problem (trouble report) is experienced within 30 days  
131 following the installation. SBC Illinois missed the performance benchmark for the  
132 Business UNE-P submeasure (submeasure no. 7) for the months of October and  
133 November 2002. When trouble is experienced on wholesale facilities within a short time  
134 after installation (as noted, this PM uses 30 days following installation), the CLEC's  
135 customer can experience a degradation of service quality and possibly an interruption in  
136 service. The customer may blame McLeodUSA for the service problem, and this  
137 experience may cause the customer to seek to switch to another provider or to switch

back to its previous provider. McLeodUSA must expend additional resources on customer care activities and on resolving the service problem.

10. PM 37 – Trouble report rates. SBC Illinois missed the performance benchmarks for one or more submeasures under this PM in each of the four months September through December 2002. (The submeasures break out trouble reports per 100 lines for different categories of service.) When trouble is experienced on wholesale facilities used to service CLEC customers, the customers can experience a degradation of service quality and possibly an interruption in service, and may blame the CLEC for the service problem. McLeodUSA must expend additional resources on customer care activities and on resolving the service problem. Additionally, McLeodUSA may experience a revenue loss due to having to give the customer a credit for service interruption.

11. PM 38 – Percent missed repair commitments. SBC Illinois missed the benchmark for the submeasure relating to Residential POTS service (submeasure no. 2) in two of the four months of September through December 2002. When SBC Illinois misses a repair commitment for wholesale facilities used to serve a CLEC customer, elimination of the customer's service problem (which may include the need to restore service) is delayed, and the customer may blame McLeodUSA for the delay. McLeodUSA must expend additional resources on customer care activities and on resolving the service problem which was to have been addressed pursuant to the repair commitment. Additionally, McLeodUSA may experience a revenue loss due to having to give the customer a credit for service interruption (or a larger credit for an extended interruption).

12. PM 54 – Failure Frequency - Design. SBC Illinois missed the performance benchmark for two or more submeasures under this PM (which measures the percent of network customer trouble reports within a calendar month per 100 circuits) in each of the four months September through December 2002. When service problems (trouble reports) are experienced on wholesale facilities used to serve CLEC customers, the CLEC's retail customer experiences an interruption of service or other degradation of service quality, and McLeodUSA experiences the types of impacts I described with respect to PMs 35 and 37.

13. PM 55 – Average installation interval - UNE. SBC Illinois missed the performance benchmarks for one or more submeasures under this PM in three of the four months of September through December 2002. As the installation intervals for wholesale facilities used to serve CLEC customers are extended (beyond the benchmark average intervals established in the performance measurement plan), the initiation of service to new CLEC customers is delayed, potentially beyond the date promised or expected by the customer. McLeodUSA must expend additional resources on customer care activities with our customer as well as in trying to get the wholesale facilities installed more rapidly. The customer may blame McLeodUSA for the length of time that is being required to initiate service, and may consider canceling its order with McLeodUSA and switching to another provider or back to the customer's previous provider. McLeodUSA's costs per new customer transaction are increased due to the need for the resources and activities I have described. Additionally, McLeodUSA's initiation of billing to and receipt of revenues from the customer may be delayed.

183           14.    PM 65 – Trouble report rates - UNE.   SBC Illinois missed the  
184           performance benchmark for one or more submeasures under this PM (which measures  
185           trouble report rates per 100 UNEs) in each of the months of September through  
186           December 2002. As the frequency of trouble reports on SBC-provided wholesale  
187           facilities used to serve CLEC customers increases, the CLEC's customers may  
188           experience interruptions of service or other degradations of service quality, and  
189           McLeodUSA experiences the types of impacts I described with respect to PMs 35, 37 and  
190           54.

191           15.    PM 104 – Average time required to Update 911 Database (Facilities Based  
192           Providers). SBC Illinois missed the performance benchmark for this PM in three of the  
193           four months September through December 2002. When the time required to update the  
194           911 database for CLEC customers exceeds the established benchmark, the potential  
195           increases that a call may be placed by a CLEC customer to a 911 call center from a  
196           telephone number that is not in the 911 database, or that is associated with a former  
197           address in the 911 database.

198           16.    PM 111 – Average Update Interval for Directory Assistance ("DA") Data  
199           Base for Facilities-Based CLECs (Hours). The DA data base is accessed by carriers and  
200           by DA providers and operator service providers to provide telephone numbers of  
201           customers in response to third parties' requests. SBC Illinois missed the performance  
202           benchmark for the submeasure for electronic orders in two of the four months of  
203           September through December, 2002. When it takes SBC Illinois longer to update the DA  
204           data base for new CLEC customers, the CLEC customer may experience a situation in  
205           which third parties are unable to obtain the customer's telephone number through DA. If

206 and when the CLEC customer learns of this situation, the customer may blame  
207 McLeodUSA for the unavailability of the customer's telephone number through DA.  
208 McLeodUSA may have to expend additional resources on customer care activities and on  
209 determining why our customer's information is not in the DA database. Additionally,  
210 McLeodUSA could be required to provide a revenue credit to the customers.

211 17. PM 113 – Percent of electronic updates that flow through the update  
212 process without manual intervention. SBC Illinois missed the performance benchmark  
213 for submeasure 1 in all four of the months of September through December, 2002. As  
214 more electronic updates fail to “flow through” the update process, McLeodUSA must  
215 expend additional resources on manual intervention to process and complete the order.  
216 The overall completion of the order, and thus the provision of service to McLeodUSA's  
217 customer and the receipt of revenue by McLeodUSA, may be delayed, and  
218 McLeodUSA's costs to process the transaction are increased.

219 18. PM MI-2 – Percent of orders given jeopardy notices within 24 hours of the  
220 due date. SBC Illinois missed the performance benchmark for two or more submeasures  
221 under this PM in each of the four months of September through December, 2002. In a  
222 number of instances, SBC Illinois missed the performance benchmark by a substantial  
223 margin. I described the adverse impacts on McLeodUSA of the issuance of jeopardy  
224 notices for orders in discussing PM 10.4 earlier in my testimony. The issuance of  
225 jeopardy notices within 24 hours of the due date is additionally problematic because at  
226 this point there is limited time and opportunity for the CLEC and SBC Illinois to take  
227 actions to “recover” from whatever is placing the order in jeopardy, in order to complete  
228 the order by the due date and thus install and initiate service for the CLEC's customer in



229 a timely manner. In addition, jeopardy notices received on the day of installation often  
230 result in out-of-service conditions for our customers, because the New, Transfer or  
231 Change order is completed in the SBC Illinois system.

232 19. PM MI-13 – Percent of mechanized line loss notifications returned within  
233 one hour of service order completion. SBC Illinois missed the performance benchmark  
234 for one or more submeasures under this PM in two of the four months of September  
235 through December, 2002. Timely issuance of line loss notifications in connection with a  
236 customer switch is important so that the carrier that previously served the customer will  
237 cease accruing charges to the customer and not bill the customer for periods after the  
238 carrier ceased to serve the customer; and so that the new carrier serving the customer  
239 recognizes that it is now responsible for service to the customer, and can commence to  
240 accrue charges and, ultimately, bill the customer in a timely manner. Customer  
241 dissatisfaction can result when a customer receives billings from both its previous carrier  
242 and its new carrier after the point in time at which service was switched to the new  
243 carrier. In these situations, McLeodUSA may need to expend additional resources on  
244 customer care activities and to resolve the situation.

245Q. **ARE THE MISSED PERFORMANCE MEASURES THAT YOU HAVE**  
246 **DISCUSSED THE ONLY PERFORMANCE MEASURES THAT SBC ILLINOIS**  
247 **MISSED DURING THE MONTHS OF SEPTEMBER THROUGH DECEMBER**  
248 **2002?**

249A. No, SBC Illinois missed the performance benchmarks for additional PMs during these  
250 months. McLeodUSA Exhibit 4.1 is a listing of all the PMs that SBC Illinois missed  
251 during the months of September, October, November and December 2002, based on the

252 information provided by SBC Illinois in response to McLeodUSA's discovery requests in  
253 this proceeding.

254Q. **DO YOU HAVE ANY OTHER OBSERVATIONS CONCERNING SBC**  
255 **ILLINOIS' WHOLESALE SERVICE QUALITY PERFORMANCE DURING**  
256 **THE MONTHS OF SEPTEMBER THROUGH DECEMBER 2002 BASED ON**  
257 **THE RECORD OF MISSED PERFORMANCE MEASURES DURING THIS**  
258 **PERIOD?**

259A. Yes. There were a number of PMs that were missed in one month, made in the next  
260 month or two, and then missed in the succeeding month during this period. This  
261 indicates that SBC Illinois had not yet achieved the ability to provide wholesale service  
262 quality at the levels established by the performance measures on a consistent basis, for  
263 these measures of wholesale service quality.

264Q. **DOES THIS COMPLETE YOUR PREPARED TESTIMONY?**

265A. Yes, it does.